



Singapore Update – MAS Issues Consultation Paper on Notice on Identity Verification (November 2020)

On 10th November 2020, the Monetary Authority of Singapore (“MAS”) published a consultation paper on the proposed Notice on Identity Verification (the “**Notice**”) which mandates the types of information financial institutions (“**FIs**”) must use to verify the identity of an individual for non-face-to-face contact. The objective is to address the risk of impersonation fraud arising from cyber-attacks, scams, and theft and misuse of an individual’s personal particulars.

The proposed effective date for this Notice is 6 months from the date of official issuance.

Applicability

The Notice will apply to the following entities (each a “**Relevant Entity**”):

- a) Banks and merchant banks;
- b) Direct insurers, insurance agents and registered insurance brokers;
- c) Licensed persons carrying on the business of issuing credit or charge cards;
- d) Approved holding companies, approved exchanges, recognised market operators, licensed trade repositories, approved clearing houses and recognised clearing houses;
- e) The Depository;
- f) Capital Markets Services Licensees;
- g) Registered fund management companies;
- h) Approved trustees for a collective investment scheme under the Securities and Futures Act;
- i) Licensed financial advisers
- j) Operators of designated payment systems;
- k) Payment service providers;
- l) Licensed finance companies;
- m) Licensed trust companies
- n) Licensed credit bureau; and
- o) Authorised benchmark administrator, exempt benchmark administrator, authorised benchmark submitter and designated benchmark submitter.

Identity Verification Requirements

For non-face-to-face-contact identity verification such as online financial service or phone banking, FIs must not rely solely on an individual’s personal particulars such as name, NRIC number, address, date of birth, contact number and email address.

Following the implementation of this notice, the MAS will expect FIs to obtain at least one of the following types of information before undertaking any transaction or acting on particular instructions for the individual:

- a) Information that only the individual knows (e.g. password or PIN);
- b) Information that only the individual has (e.g. one-time password generated through a hardware or software token);
- c) Information that uniquely identifies the individual based on the individual’s biometrics or behaviour (e.g. face, voice, iris or fingerprint recognition); and
- d) Information that is only known between the individual and the FI (e.g. account transaction information or application identification number).



Where the FI decides to appoint a third party to act on its behalf to obtain such information, the FI must ensure that the appointed third party complies with the identity verification requirements.

How we can help

Our dedicated AML Team can assist with conducting a full gap analysis of your AML Policy and Procedures to ensure that it addresses all regulatory and industry best practice requirements, provide comprehensive AML Training that is specifically customized to suit your business operations or offer a full outsourced client onboarding solution.

About ComplianceAsia

ComplianceAsia is the longest established compliance consulting firm in Asia Pacific established in 2003 with key offices in Hong Kong, Shanghai, Singapore, Tokyo and London. We have an unmatched track record of completing complex compliance consulting projects for financial firms in the APAC region.

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